

STATEMENT OF
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Before providing you my thoughts on the Future of NATO, I would like to highlight current operations in which the Alliance is involved and by doing so, provide you with the strategic context through which NATO's future is entwined.

NATO Operations

The 50,000 deployed NATO military forces currently under my command in my other role as Supreme Allied Commander Europe (SACEUR) are a visible demonstration of NATO's resolve to collectively meet security challenges. While political consultations among nations help sustain unity of purpose, men and women of the Alliance, plus 17 other troop-contributing nations, are essentially redefining the role of NATO by their actions in operations across Afghanistan, the Balkans, the Mediterranean, Iraq, the Baltics, and Africa.

The International Security Assistance Force (ISAF) remains NATO's most important and challenging mission. With over 40,000 forces from 37 nations, nearly 39,000 of which are contributed by the 26 NATO member nations, the Alliance has responsibility for ISAF security and stability operations throughout Afghanistan. Working alongside U.S.-led coalition forces of Operation ENDURING FREEDOM (OEF) and other international actors, ISAF's approach is to provide a secure and stable environment in which Afghan institutions can develop and expand their influence, while simultaneously supporting the development of an enduring Afghan capability to provide for their own security. The 25 Provincial Reconstruction Teams (PRTs) under ISAF leadership are at the forefront of NATO's efforts for reconstruction and stability.

NATO continues its mission in the Balkans, notably in Kosovo, whose future status is currently under discussion in the United Nations. Today NATO has over 15,000 well-trained and capable forces in Kosovo providing for a safe and secure environment. These forces maintain close coordination with the international and local authorities in Kosovo and are prepared to continue their military responsibilities in a post-status environment. They are equally prepared to address a broad range of contingencies or potential unrest associated with the determination of Kosovo's future status.

Operation ACTIVE ENDEAVOUR (OAE) is NATO's only on-going mission under Article 5 of the North Atlantic Treaty, the key article of the Treaty which considers an attack against one nation as an attack against all member nations. The OAE mission, launched in the aftermath of the attack on America in September 2001, aims to disrupt, deter, and defend against terrorism in the Mediterranean. Maritime forces of OAE are patrolling sea lines of communication, sharing relevant intelligence and information with littoral nations, and conducting compliant boarding of suspect ships, when required.

ACTIVE ENDEAVOUR is important for not only its anti-terrorism activities, but also as a catalyst for transformation as it works to implement a network-centric maritime monitoring capability, which provides for real-time tracking of maritime vessels and notification to national authorities. This network will make our operation more effective, and ultimately, should reduce the requirement for a physical maritime security presence.

In Iraq, the Alliance continues to provide essential training to the Iraqi security forces. Recently, the North Atlantic Council agreed to expand the Iraqi training mission to include providing gendarmerie-type training for the leadership of the Iraqi National Police. The Alliance continues to provide training opportunities for Iraqi Security Force personnel outside of Iraq, at national training facilities or NATO institutions such as the NATO Defense College in Rome, Italy and the NATO School in Oberammergau, Germany. We are on track to turn over command and control of the senior and midlevel officer training programs at the Iraqi Military Academy to the Iraqi Army in July. The second aspect of the Iraq mission includes assisting in the provision of equipment to the Iraqi armed forces. To date, NATO nations have provided arms and equipment ranging from small arms ammunition to T-72 tanks.

NATO has also assisted the African Union (AU) with its African Mission in Sudan (AMIS) peacekeeping mission. It has provided airlift for troop rotations of peacekeepers, provided staff capacity building activities at key AU headquarters in Ethiopia and Darfur, and deployed mobile training teams to work with our AU counterparts. NATO's capacity building approach to increase stability and security on the continent intends to deliver long-term effects with minimal, focused resources.

NATO-EU

The strategic partnership between NATO and the European Union (EU) has never been more important. With 21 of the 26 nations of the Alliance also members of the EU, it is absolutely vital that we take a broad approach to the security challenges we collectively face, where both military and civilian instruments

are employed. The goal is to use the respective strengths of each organization to achieve the intended effects.

In implementing the Berlin Plus arrangements for NATO-EU cooperation, an EU liaison cell was activated within my headquarters in Belgium, communicating and coordinating with my staff on a daily basis those operational issues that affect both organizations. Our NATO commanders on the ground in the Balkans and in Afghanistan have developed practical mechanisms to communicate and coordinate their respective mandates with EU representatives on a routine basis.

Despite this pragmatic approach by our soldiers in the field, the institutional NATO-EU relationship still needs to adapt, with more robust, flexible and enduring arrangements to promote more efficient, practical cooperation for our increasingly interdependent efforts. The ongoing operations in Afghanistan and anticipated roles in supporting the outcome of status talks for Kosovo should not be held hostage to institutional bureaucracy. Both organizations must focus on operations vice competition.

NATO's Future

With respect to NATO's future, Heads of State and Government endorsed "The Comprehensive Political Guidance" at the 2006 Riga Summit, laying out broad parameters for how NATO should develop in response to the challenges of the 21st Century. I believe the document accurately captures the future direction of the Alliance and I highlight for the committee the following key points from the document:

- The Alliance will continue to follow the broad approach to security of the 1999 Strategic Concept and perform the

fundamental security tasks it set out, namely security, consultation, deterrence and defense, crisis management, and partnership.

-The Alliance will remain ready, on a case-by-case basis and by consensus, to contribute to effective conflict prevention and to engage actively in crisis management, including non-Article 5 crisis response operations. NATO needs to focus on ensuring that its own crisis management instruments are effectively drawn together. It also needs to improve its ability to cooperate with partners, relevant international organizations and, as appropriate, non-governmental organizations in order to collaborate more effectively in planning and conducting operations.

-The Alliance must have the capability to launch and sustain concurrent major joint operations and smaller operations for collective defense and crisis response on and beyond Alliance territory, on its periphery, and at strategic distance.

-Among qualitative force requirements, the following have been identified as NATO's top priorities:

- joint expeditionary forces and the capability to deploy and sustain them;

- high-readiness forces;

- the ability to deal with asymmetric threats;

- information superiority; and

- the ability to draw together the various instruments of the Alliance brought to bear in a crisis and its resolution to the best effect, as well as the ability to coordinate with other actors.

Transformation

While the focus for the Supreme Headquarters, Allied Powers, Europe (SHAPE) is on successful execution of NATO's military

operations on three continents, these operations are simultaneously helping NATO to achieve a more enduring goal for the Alliance, that of transformation.

NATO is embracing an ambitious transformation agenda to develop more agile, flexible, and expeditionary military forces. Allied Command Transformation (ACT), NATO's strategic headquarters based in Norfolk, Virginia, has the lead role in developing concepts and managing NATO transformation programs. It is in our nation's interests to ensure that our collective efforts are complementary and contribute to joint and multinational interoperability.

NATO Response Force (NRF)

The NATO Response Force (NRF) is an initiative proposed by the U.S. and adopted by the Alliance at the 2002 Prague Summit. It is a vital part of the Alliance's ability to rapidly respond to emerging crises and conduct the full-range of military missions, from crisis management to forced entry operations, at strategic distances. The NRF is organized around a brigade-sized force whose units and capabilities are provided collectively by all members of the Alliance. This composite force maintains an increased level of readiness that allows portions of it to deploy on very short notice, with the entire force able to deploy no later than 30 days after notification.

This joint and multinational force further serves as a catalyst for transformation and interoperability, improving NATO's expeditionary capability in key areas such as multinational logistics and deployable communications. Following a comprehensive and successful live exercise (LIVEX) in June 2006, with further contributions of critical capabilities by nations,

NATO declared at the Riga Summit the NRF to have attained Full Operational Capability (FOC). At FOC, the NRF is capable of deploying at strategic distance and supporting the full range of potential Alliance missions, to include evacuations and disaster management, counter-terrorism and acting as an initial entry force for a larger, follow-on force. Despite the declaration of FOC at Riga, the future sustainability of the NRF, as it is currently structured, is at risk. For the upcoming NRF rotations, we are seeing repeated shortfalls across the spectrum of key capabilities such as logistics, combat support, strategic lift, and intelligence assets. With the high optempo of NATO operations, coupled with the commitment of forces by nations to other operations such as United Nations and European Union operations, it has become increasingly difficult to secure member nation commitments for the six-month rotations of the NATO Response Force. The financial costs of committing forces to the NRF, coupled with competing demands for our limited pool of military forces, are having a significant impact on nations' willingness to provide the necessary capabilities. NATO authorities are currently working to develop initiatives to improve the implementation of the agreed NRF Concept. These initiatives include a long-term force pledging plan, common NATO funding for strategic lift for short-notice NRF deployments and, potentially, linkages of NRF capabilities with NATO's strategic reserve forces.

Strategic Air Lift

The utility and credibility of the NRF and our deploying forces depends on the quick and assured availability of strategic lift. Unfortunately, the current arrangements for strategic lift of NATO forces are inadequate, depending on assets generated through national contributions or contract arrangements with

commercial carriers. With the strategic distances involved, the threat, and austere environment of many of our deployment destinations, charter airlift is often not a viable option.

It is imperative that we have the support of the nations for the two complementary initiatives aimed at providing NATO with strategic airlift capabilities. The first of these initiatives involves a group of 15 NATO nations, plus Sweden, currently involved in negotiations to acquire three C-17 aircraft, to be flown and maintained by multinational crews under multinational command from the participating nations. These planes would be used to support strategic airlift requirements, which could be NATO operations or national in character. The second of these complementary initiatives involves a consortium of 16 nations, led by Germany, to charter AN-124 aircraft to provide strategic lift.

Interoperability

NATO's transformation depends in large measure on the ability of disparate units, headquarters and nations to work together. Interoperability is a key enabler and is recognized as an important force multiplier. Interoperability objectives cover the ability to communicate with each other, to operate with each other from a procedural perspective, and to have equipment that is compatible.

With accelerated advancements in technology, maintaining interoperable equipment is particularly difficult. Recent requirements for equipment to combat improvised explosive devices (IED) and increased needs for Intelligence, Reconnaissance, and Surveillance (ISR) capabilities highlight NATO's challenge.

Adaptation of NATO forces continues with an entire range of initiatives to increase the capacity of our forces to collectively address contemporary threats and challenges. While these initiatives are welcomed, we also recognize the realization of these projects is hampered by NATO's outdated procurement procedures that do not allow for the rapid purchase of emerging technologies.

Additionally, to completely achieve the transformational goal of providing rapidly deployable, expeditionary forces, there is a requirement for a commonly funded logistics system that has the agility to provide immediate and comprehensive sustainment support.

NATO is currently developing ideas to provide this common logistics support. In the last year, for example, the Alliance expanded its eligibility rules for common funding, to assist in theater-level logistics support of forces involved in deployments. Developing and approving the enduring concepts and procedures for common funding of multi-national logistics is currently on the Alliances' horizon.

Six broad initiatives for multinational logistic development and commitment of military capabilities were developed.

- Encourage more balance in the development and commitment of military capabilities
- Identify and reduce barriers to national contributions
- Further develop and enable multinational support capabilities
- Enhance logistics training and medical certification

- Enhance the use of contractor support capabilities to augment or where appropriate, replace military support capabilities
- Integrate the contributions of smaller nations into an optimized logistics support structure

Optimization of National Force Structures

The cornerstone of NATO security is for Alliance members to maintain military capabilities that can provide mutual support to member nations. Consequently, nations (Iceland, which has no military, is an exception) have established force structures that are similar in design but with major differences in the relative size of each force. However, given the widely varying sizes of each nation's military and military budgets, it is challenging for the smaller nations to maintain a standing military that is modern, and capable of performing all military tasks across the land, sea, and air environments. This situation is currently manifested with the Baltic nations' inability to provide for their own air policing.

Given these conditions, it may be time for NATO to consider developing a more integrated and optimized force structure. The concept for this modified force structure could investigate asking Alliance nations to focus on development of specified military capabilities rather than attempting to provide all elements and organizations traditionally found in a national military. The advantages of this method for developing force structure include: allowing a nation to channel their research and development budget in a more focused manner; improves the ability for NATO to generate the necessary and often scarce niche-capabilities, such as rotary wing assets and medical

support; and lastly would facilitate a more consistent security posture across the Alliance.

Missile Defense

Missile Defense is not a new issue within NATO. I believe that there is a shared perception amongst Allies that a threat from ballistic missiles exists, as well as a shared desire that any US system should be complementary to any NATO missile defense system, and visa versa.

The Alliance intends to pursue a three-track approach to missile defense. Firstly, it will continue an ongoing NATO project to develop, by 2010, a "theater missile defense" for protecting deployed troops from short- and medium- range missile threats. Secondly, NATO has committed to fully assessing the implications of the US missile defense system for the Alliance. The objective is to determine the possibility of linking the NATO and US defensive systems to ensure that all Alliance territory would be covered from missile threats. Finally, NATO is committed to continuing existing cooperation with Russia on theater missile defense, as well as consultations on related issues.

Mediterranean Dialogue

The Mediterranean Dialogue reflects the Alliance's view that security in Europe is closely linked to security and stability in the Mediterranean and is an important component of the Alliance's policy of outreach and cooperation.

Seven non-NATO countries of the Mediterranean region (Algeria, Egypt, Israel, Jordan, Mauritania, Morocco and Tunisia) participate in the Dialogue whose overall aim is to contribute

to regional security and stability through practical cooperation and political dialogue and to achieve better mutual understanding.

Three of the Mediterranean Dialogue nations, Algeria, Morocco, and Israel, have indicated a willingness to participate at varying degrees in NATO's Operation ACTIVE ENDEAVOUR, which focuses on countering terrorism in the Mediterranean Sea. Three other nations have contributed military forces and assets to NATO-led operations in the Balkans and Afghanistan. Jordan is currently contributing to the ISAF mission in Afghanistan, Morocco contributes to the KFOR mission in the Balkans, and Egypt had contributed forces previously to NATO operations in Bosnia. Each of the initiatives strengthens the relationship with NATO, increases our interoperability and contributes to our mutual security.

NATO-Russia

NATO has taken a very open, inclusive approach vis-à-vis Russia, recognizing Russia's legitimate national security interests, while showing a strong determination to build a new European security order together with Russia.

NATO and Russia have come a long way in the ten years since the NATO-Russia Founding Act, and the five years since the establishment of the NATO-Russia Council. There has been increasingly more cooperation between our respective military forces. We have agreed on a comprehensive Action Plan on Terrorism as well as ambitious programs of technical cooperation in airspace management and theater missile defense. Just last month, the State Duma in Moscow ratified the Partnership for Peace Status of Forces Agreement (SOFA) between NATO and Russia,

a step that will allow even closer practical cooperation and facilitate the potential exercise of Alliance and Russian military forces on Russian territory.

We understand that there are Russian concerns - about Missile Defense, about NATO enlargement, and about arms control. These are complex political and legal issues that will not be easy to resolve. But NATO Allies are committed to discussing them, in the NATO-Russia Council as well as in other international fora.

Clearly there is even more that we can do together - in making our forces more interoperable, contributing to peace support missions, in supporting each other in disasters and emergency situations, in fighting terrorism, and in consulting on new challenges such as defense against proliferation.

NATO Enlargement

Now let me turn to the topic of NATO Enlargement. Since the Alliance was created in 1949, its membership has grown from the 12 founders to today's 26 members - and the door to new membership remains open. At the 2006 Riga Summit, Heads of State and Government declared that the Alliance intends to extend further invitations to nations that meet NATO standards at the next Summit in 2008. Although no decision has been made on the next round of NATO expansion, three nations currently participate in NATO's Membership Action Plan (MAP) - Albania, Croatia, and Macedonia. In addition to the three aspirant countries already noted, two other nations, Ukraine and Georgia, participate in an intensified dialogue with NATO, an important step in the commitment to a closer relationship with the Alliance and its members.

While the Membership Action Plan (MAP) provides specific advice and practical support tailored to the individual needs of nations wishing to join NATO, NATO's Partnership for Peace (PfP) program has been an important, additional factor in bringing a number of the 23 Partner nations closer to, and more interoperable with, the Alliance. The PfP has been instrumental in helping Partner nations move beyond their Cold War legacy, assisting with a number of initiatives to restructure and reform Partner military institutions, to include disposing of redundant or obsolete weapons and reintegrate military personnel into civilian life. Increasingly, Partner nations are adapting their military forces to Alliance operational norms. PfP training initiatives and joint exercises have helped make Partner forces more interoperable with those of NATO, encouraging and enhancing their contribution to NATO-led operations.

Conclusion

NATO has demonstrated a progressive nature and capability to adjust to the rapid changes confronting European and global security since the end of the Cold War. The Alliance has been confronted with an unstable world, humanitarian crises, regional conflict, and terrorism on a multi-national scale simultaneously as the speed of global change, the impact of new threats and risks to our collective security - and the second and third order effects of these types of threats from events around the world - have increased in this interdependent, interconnected world. This is the reality of the 21st Century. NATO has responded with capabilities at hand and developed new capabilities, new policies, and new partnerships to address these challenges.

NATO is now entering its most challenging period of transformation, adapting not only to the realities of a changed Europe, but facing the multi-faceted demands of constantly adapting to a changing world. It is institutionalizing the Alliance's role as a modern instrument of security and stability for its members. NATO is taking important steps to complete its transformation from a static, reactive Alliance focused on territorial defense to an expeditionary, proactive Alliance working with nations to deter and defeat the spectrum of 21st Century threats confronting our collective security. The Alliance is overcoming institutional inertia, out-dated business practices, and Cold War era understandings of its role, thereby erasing self-imposed limits that directly reduce the security of its members and partners, individually and collectively. At the same time, the Alliance is assessing the threats we face, understanding better their interaction, and developing new capabilities and partnerships to successfully address these threats.

NATO was founded in 1949 as an Alliance based on democratic values and collective defense. Although the threat environment and our operational capabilities have changed significantly over the last, nearly 60 years, the core values we represent and the need for cooperation and collective security have not changed. The NATO Alliance, its Partnerships and special relationships with other nations remain important to our own nation, now and into the future.